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January 29, 2003

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; and Lower Cotton Valley Zone,
Reservoir A; ELM GROVE FIELD, Bossier Parish,
Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; to the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; in the Elm Grove Field, Bossier Parish, Louisiana:

Lower Cotton Valley Zone, Reservoir A

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, such unit being shown on an attached plat and being designated LCV RA SU69.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To authorize Applicant to drill, designate and utilize the J-W Operating Company--Tooke Est. 12 No. 1 Well as the unit well for LCV RA SU69 at the location shown on an attached plat, in exception to the well location provisions of Office of Conservation Order No. 361-E, effective July 16, 1996.
4. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented by the Order No. 361-E series of Orders, to the proposed additional unit.
5. To discuss such other matters as may be pertinent to this application.

Hosston Zone, Reservoir A, and
Cotton Valley Formation, Reservoir A

1. To authorize Applicant to drill, designate and utilize the J-W Operating Company--Tooke Est. 12 No. 1 Well as the substitute unit well for CV RA SU19 at the location shown on an attached plat, in exception to the well location provisions of Office of Conservation Order No. 361-B, effective October 1, 1973.

2. To find that a substitute unit well for CV RA SU19 is necessary to efficiently and economically drain a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SU19 which cannot be efficiently and economically drained by any existing well within this unit.

3. To approve the downhole combination of production from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, or any combination thereof, in the wellbore of the J-W Operating Company--Tooke Est. 12 No. 1 Well, and in the wellbore of any existing or future wells located on LCV RA SU69, CV RA SU19 and HOSS RA SU19 in which the ownership interests in the intervals to be combined downhole are identical.

4. To discuss such other matters as may be pertinent to this application.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo, Webster and Bossier Parishes, Louisiana, is defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Webster and Bossier Parishes, Louisiana, is defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and Office of Conservation Order No. 361-B-6, effective May 24, 1978.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Caddo, Webster and Bossier Parishes, Louisiana, is defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 4520 Jamestown Avenue, Suite 6, Baton Rouge, Louisiana 70808. Any person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party. Any questions related to the location of the proposed well should be directed to Ms. Janet Sanford at J-W Operating Company (972) 233-8191.

By letter dated January 16, 2003, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals

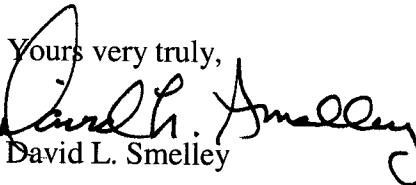
Honorable James H. Welsh
January 29, 2003
Page 3

and set February 7, 2003, as the tentative date for the pre-application conference. No request for the pre-application conference was received; accordingly, no pre-application conference was held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the two (2) unit plats (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

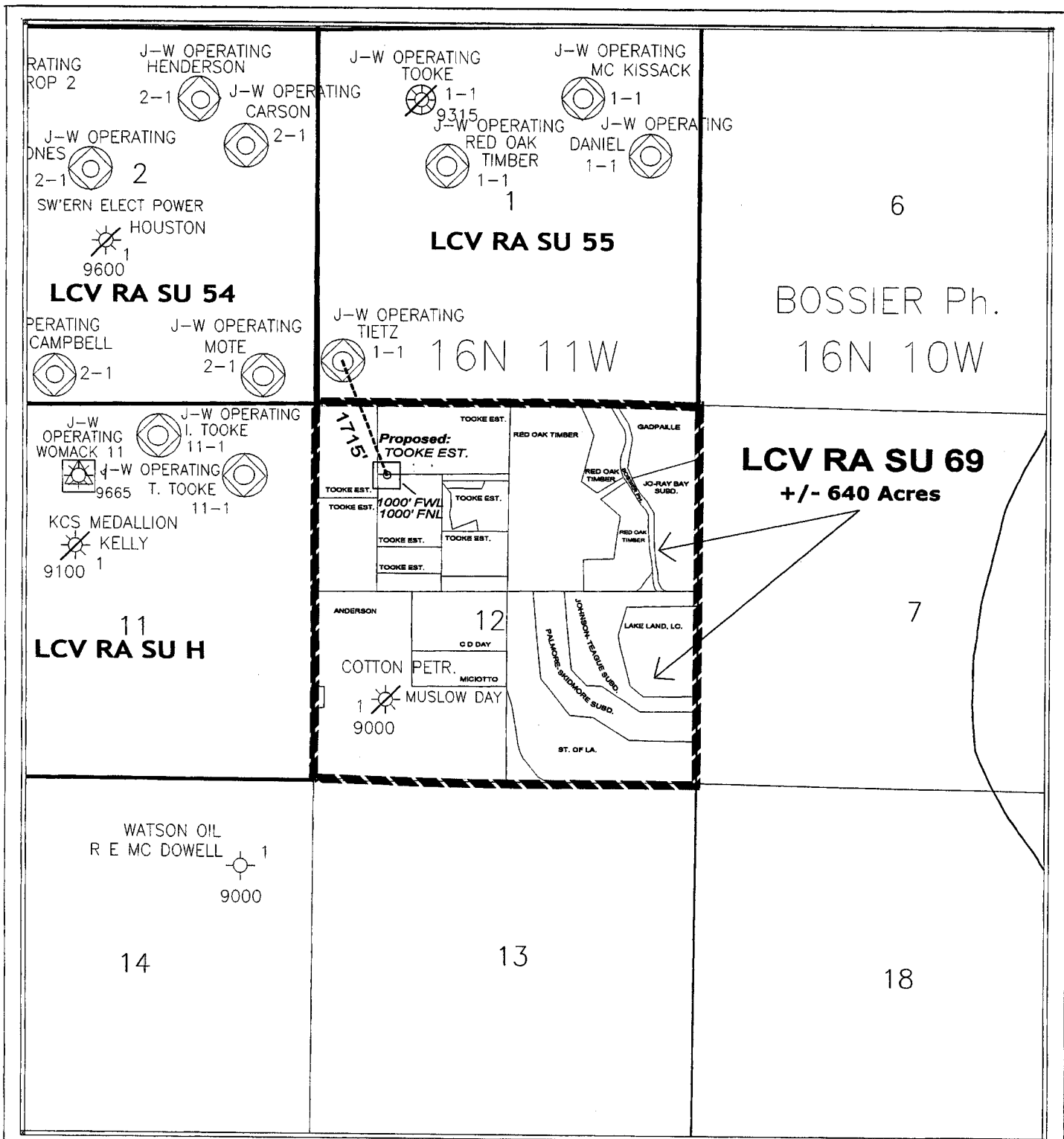
Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

-- Attorney for J-W Operating Company

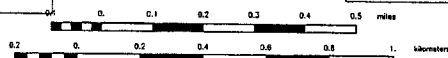
DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Dave Williams (w/encls.)
Ms. Janet Sanford (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)



LEGEND

- Existing Units, Order 361-E series
- ▬ Proposed Unit Boundary
- Proposed Unit Well
- ⊙ Unit Well
- ⊙ Approved Alternate Unit Wells
- Posted Wells > 8300'



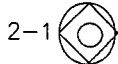
J - W OPERATING COMPANY

Unit Plat-Lower Cotton Valley Form.
Reservoir "A", Elm Grove Field
Bossier Parish, Louisiana

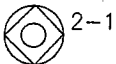
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	1" = 2000'	02-??

RATING
ROP 2

J-W OPERATING
HENDERSON



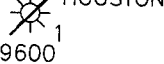
J-W OPERATING
CARSON



J-W OPERATING
ONES

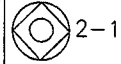


SW'ERN ELECT POWER



CV RA SU 17

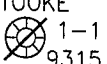
PERATING
CAMPBELL



J-W OPERATING
MOTE



J-W OPERATING
TOOKE



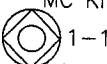
J-W OPERATING
RED OAK
TIMBER



1

CV RA SU 18

J-W OPERATING
MC KISSACK



J-W OPERATING
DANIEL



6

CV RA SU 74

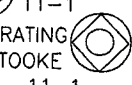
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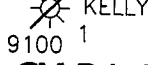
J-W
OPERATING
WOMACK 11



J-W OPERATING
I. TOOKE



KCS MEDALLION

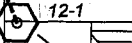


CV RA SU 20

11

1715'

Proposed:
TOOKE EST.



1000' FWL
1000' FNL

TOOKE EST.

TOOKE EST.

TOOKE EST.

CV RA SU 19

ANDERSON

12

COTTON

PETR.

1

MUSLOW DAY

9000

C D DAY

MIOTTO

ST. OF LA.

LAKE LAND, L.C.

JOHNSON TERRY SUBD.

PALMCRE STONORE SUBD.

RED OAK TRIMBER

RED OAK TRIMBER

RED OAK TRIMBER

JO-RAY BAY SUBD.

GADPALLE

7

WATSON OIL
R E MC DOWELL



9000

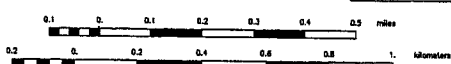
14

13

18

LEGEND

- Existing Units, Order 361-B series
- Proposed Substitute Unit Well
- Unit Well
- Approved Alternated Unit Wells
- Posted Wells > 8300'



J - W OPERATING COMPANY

Substitute Ut. Plat-Cotton Valley Form.
Reservoir "A", Elm Grove Field
Bossier Parish, Louisiana

DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	1" = 2000'	02-??